GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:5115
ANSWERED ON:25.04.2003
PROCUREMENT OF RICE
RAGHUNANDAN LAL BHATIA

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether a compulsory levy of rice on price fixed based on MSP is imposed on all rice mills in most of States for procurement of rice in place of paddy under MSP;

(b) if so, is not the system discouraging the mills to modernize their mills to improve quality and differentiate their produce in a market-led economy;

(c) the manner in which the system is not subsiding inefficient rice mills;

(d) whether the system is desirable in an economy almost self-sufficient/surplus in foodgrains;

(e) whether the system is not subsiding inefficient rice mills; and

(f) if so, whether the Government propose to consider to make levy system optional to those mills who pay/purchase at MSP or above prices from the farmers?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI SU MAHARIA)

(a): Yes, Sir.

(b),(c),(d)&(e): No, Sir. Rice is collected by way of statutory levy from rice millers/ dealers for the Central Pool. The levy percentage is determined by the respective Sate Governments keeping in view of the requirements for the Central Pool, the marketable surplusand domestic consumption. While fixing the levy price, all the cost elements are invariablytaken into account. Therefore, the question of millers suffering any losses does not arise. No representations have been received from any Rice Millers Association for discontinuance of the levy system. Rice millers can seek financial assistance under the Plan Scheme of the Ministry ofFood Processing Industries for establishment/ modernization or expansion of the rice mills up to a maximum of Rs.50 lakh in general areas and Rs.75 lakhs in difficult areas.

(f): Does not arise.